

Thank you for the opportunity to participate in the NEM Study Workshop. I have just a few comments:

- 1) If system upgrade costs are included in the cost/benefit analysis, then the benefits of the upgrades to ratepayers must also be included in the calculation, ie, the benefits of the upgrades don't only accrue to the NEM customers.
- 2) You show only one scenario for the cost of carbon offsets. I would recommend you do a sensitivity using a higher cost curve.
- 3) K-12 Schools have a unique load profile, such that when they install PV and become NEM customers, they export far more during the summer peak than other traditional NEM customers. I suggest you carve out this sub-group to evaluate the cost-benefit of this customer sub-group. Given the importance of this segment of customers to the communities(ie, ratepayers) they serve, it is important to find out if their unique usage under NEM positively differentiates them from the broader class of customers. To find out who the NEM K-12 schools are, just get a list of the K-12 accounts from the IOUs and cross reference with the CSI files. I know for a fact that the IOUs have this listing as I work closely with their account managers and each IOU has an overall Account Manager who works exclusively with schools. If you need assistance in gathering this information, please let me know.

I look forward to the results of the study.

*Rick Brown, PhD, President*

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